

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  U S WEST COMMUNICATIONS, INC.	DOCKET NO. WRU-99-12
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**ORDER PARTIALLY GRANTING WAIVER REQUEST AND ORDERING  
CUSTOMER SURVEY FOR EAS BETWEEN WALCOTT AND DURANT**

(Issued April 30, 1999)

On April 27, 1998, a petition was presented by certain local exchange service customers in the Walcott exchange to U S West Communications, Inc. (U S West), for two-way extended area service (EAS) from Walcott, Iowa, to the exchanges of Dixon, Durant, and Eldridge, Rock Island, Moline, and East Moline. U S West performed the point-to-point usage study as required by IOWA ADMIN. CODE 199-22.8(2)"b" and determined that none of the routes satisfied the Board's rules concerning minimum traffic volumes for mandatory EAS balloting.

On March 22, 1999, the city of Walcott filed a request for waiver with the Board, identified as Docket No. WRU-99-12, asking the Board to review Walcott's request for EAS and consider a waiver of the minimum traffic volume requirements. In support of its request, the city offered the results of a survey it conducted, indicating that the usage study by U S West may have understated the actual number of calls being made between Walcott and the other exchanges. The city argues that the usage study did not show sufficient traffic because residents in

Walcott are using dial-around services from other telephone utilities, cellular telephone service, and other alternatives to circumvent U S West's toll charges.

U S West filed an objection to the waiver request, challenging the city's survey and the conclusions the city draws from the survey. U S West asked that the Board dismiss the request for waiver without further proceedings.

IOWA ADMIN. CODE 199-22.8(2) provides that EAS balloting is required if a point-to-point usage study shows a sufficient community of interest exists between the relevant exchanges. A sufficient community of interest exists if the study shows callers are making an average of 5 or more calls per month along the route proposed for EAS and if more than 50 percent of the customers are making at least two such calls per month, on average. The traffic study conducted by U S West shows that the call traffic from Walcott to the other exchanges falls well short of the standards of the rule.

However, it is likely that usage studies in today's marketplace understate the total traffic between different exchanges, due to the use of dial-around toll carriers and other alternatives in an effort to reduce or avoid toll charges. This argument is supported by the testimony of a U S West witness in another docket, stating that "approximately 17% of the total volume of switched intraLATA long distance minutes were carried by other carriers in Iowa on a dial around basis through use of '10XXX' codes." Direct Testimony of David L. Teitzel, filed November 13, 1998, in Docket No. SPU-98-10, at page 7, lines 10-14. If true, then a usage study will tend to understate the percentage of customers that make calls each month to other exchanges.

However, even when the city's survey is taken at face value and used to increase the results of the U S West usage study, the call volumes from Walcott to the other exchanges do not meet the threshold requirements of the Board rules. The call volumes from Walcott to Durant come closest to being within the guidelines and are sufficient to establish a community of interest in these circumstances. This justifies a waiver of the call traffic requirements of IOWA ADMIN. CODE 199-22.8(2)"b." Accordingly, the Board will waive the rule and direct U S West to commence customer balloting for EAS between the Walcott and Durant exchanges.

The call volumes from Walcott to the other identified exchanges, even when increased to reflect the results of the city's survey, fall far short of the requirements of the Board's rules, and no additional factors have been shown that are sufficient to support a waiver of the call traffic rules. Accordingly, the Board will deny the remainder of the request for waiver filed by the city of Walcott.

**IT IS THEREFORE ORDERED:**

1. A waiver of the 50 percent requirement of IOWA ADMIN. CODE 199-22.8(2)"b" is granted with respect to the point-to-point usage study conducted by U S West between the Walcott and Durant exchanges.

2. U S West is directed to commence customer balloting in the Walcott exchange for EAS to the Durant exchange, following the procedures and requirements of IOWA ADMIN. CODE 199-22.8(3).

**UTILITIES BOARD**

/s/ Allan T. Thoms

/s/ Paula S. Dierenfeld

ATTEST:

/s/ Raymond K. Vawter, Jr.  
Executive Secretary

Dated at Des Moines, Iowa, this 30<sup>th</sup> day of April, 1999.